

**STATE ROAD AT ELLSWORTH ROAD
INTERSECTION IMPROVEMENT AGREEMENT**

THIS AGREEMENT, made and entered into this _____ day of _____, 2012 by and between the City of Ann Arbor (the "City") and the Board of Washtenaw County Road Commissioners (the "Road Commission").

WHEREAS, the Costco Wholesale Corporation ("Costco") has plans to develop and open a new store near the intersection of State and Ellsworth Roads ("Intersection") in the Charter Township of Pittsfield in the calendar year of 2012. In an effort to enhance safety and vehicular capacity at the Intersection, the Road Commission and the City have concluded that the Intersection should be improved; and

WHEREAS, in order to accommodate the increased traffic volumes projected by Costco's traffic impact study, and enhance safety to all public right-of-way users, both the Road Commission and the City have determined a modern roundabout is the preferred alternative design to achieve these goals (the "Project"); and this is the recommended improvement supported by the City and Road Commission.

WHEREAS, the Road Commission has secured a Congestion Mitigation and Air Quality ("CMAQ") grant from the Federal Highway Administration in the amount of \$1.4 million dollars to construct the Project; and

WHEREAS, Costco has pledged to contribute \$500,000 towards the Project to pay for matching funds for the CMAQ funds, preliminary design, right-of-way costs, and construction engineering; and

WHEREAS, the City and the Road Commission have agreed that they have a vested interest in contributing funds towards the Project, should overall Project costs exceed revenues obtain from CMAQ and Costco; and

WHEREAS, the Road Commission has programmed the Project to be constructed in 2013; and

WHEREAS, proper authority is provided to the parties of this Agreement under the provisions of Act 51 of Public Acts of 1951 as amended.

THEREFORE, BE IT AGREED that the Road Commission will design and construct the Project, acquire all necessary right-of-way, easements and grading permits and provide the construction engineering services for the Project.

BE IT FURTHER AGREED that, with the exception of any landscaping and decorative concrete associated with the Project or public utility upgrades, the Road Commission and the City shall split equally any remaining costs associated with preliminary engineering, right-of-way acquisition, construction, and construction engineering in

